

**MINUTES OF THE
VINEYARD TOWN REDEVELOPMENT AGENCY
Vineyard Town Hall, 240 East Gammon Road, Vineyard, Utah
March 7, 2012 8:00 PM**

PRESENT:

Chairperson Randy Farnworth
Boardmember Jeff Gillespie
Boardmember Norm Holdaway
Boardmember Nathan Riley

ABSENT:

Boardmember Sean Fernandez

Staff Present: Water Operator Sullivan Love, Town Attorney David Church, Laura Lewis/Lewis, Young, Robertson & Burningham, Deputy Recorder Debra Cullimore.

Others Attending: Ed Grampp and Stewart Park of Anderson Development.

The Vineyard Town Council held a regular meeting on March 7, 2012 starting at 8:05 p.m. in the Vineyard Town Hall, 240 East Gammon Road, Vineyard, Utah. The invocation was offered by Nathan Riley.

The meeting was called to order at 8:05 p.m.

MINUTES REVIEW AND APPROVAL – The Board reviewed the minutes of the meeting of February 8, 2012.

BOARDMEMBER RILEY MOVED TO APPROVE THE MINUTES OF THE MEETING OF FEBRUARY 8, 2012. BOARDMEMBER GILLESPIE SECONDED THE MOTION. ALL PRESENT VOTED IN FAVOR. THE MOTION CARRIED UNANIMOUSLY.

BUSINESS ITEMS:

3.1 – Discussion and Action: Tax Revenue Bond Parameters Resolution, RDA Resolution #U-2012-01. Consideration for adoption of a resolution of the Board of Directors of the Redevelopment Agency of the Town of Vineyard, Utah, authorizing the issuance and sale of not more than \$10,000,000 aggregate principal amount of its tax increment revenue bonds (northern section of the Geneva Urban Renewal Project Area); and related matters.

Ms. Lewis recommended that the Board adopt Resolution #U-2012-01 which sets the maximum parameters for issuance of the Tax Increment Revenue Bonds, Series 2012. The Resolution also establishes a committee to make final decisions regarding issuance of the bonds within established parameters regarding principal amount, interest rate, years to maturity and other matters.

Ms. Lewis noted that it will be necessary to approve additional language which is not currently included in the Resolution. Current language states that bond revenue will be used for acquisition of land. Additional language will outline other uses of the bond proceeds, including construction of utility infrastructure, roadways, curb gutter and sidewalk, debt service and cost of issuance of the bonds.

Ms. Lewis explained that term sheets were distributed to twelve institutions with responses from two potential purchasers. Purchasers were asked to submit their best and final offers in an

effort to maximize the principal amount. She noted that the tax increment revenues which have been received by the RDA are the correct amount. Based on the anticipated tax increment amount as well as tax increment received, purchase offers were submitted by two institutions, Zion's Bank and Bank of Utah. Ms. Lewis reviewed the purchase offers as follows:

- Zion's Bank Option #1 – \$10,000,000 Bond, fixed percentage rate for five years with a variable rate adjusted annually thereafter based on an established formula with a maximum interest rate of 13%
- Zion's Bank Option #2 – \$10,000,000 Bond, fixed percentage rate for ten years with a variable rate adjusted annually thereafter based on an established formula with a maximum interest rate of 13%
- Bank of Utah – \$5,000,000 Bond, fixed rate for a 25 year term.

Ms. Lewis noted that proposals from Zion's Bank maximize construction proceeds, with Option #1 providing a possibility for additional bonding next fiscal year due to lower debt service payments. Ms. Lewis recommended that the Board issue the bonds based on Zion's Bank Option #1. She clarified that the final decision does not need to be made at this time, and that terms of final issuance of the bonds will be determined by the committee based on the maximum parameters set in the Resolution.

Ms. Lewis went on to review criteria for Additional Bonds Tests (ABT) which estimate the ability of the RDA to pay debt service on this and other debts on a pro-rata basis using a reasonable variable rate to calculate the debt service. Ms. Lewis also noted that the bonds are callable in four years, and that it may be possible to restructure the bonds into a fixed rate before the adjustable rate resets in five years.

Boardmember Riley observed that the annual debt service payment for Option #1 is \$710,000, with debt service for Option #2 at \$779,000. He observed that the lower debt service could allow additional bonding based on future tax increment revenue. Ms. Lewis confirmed the possibility that the RDA could issue an additional \$500,000 to \$600,000 in bonds next year based on debt service and anticipated tax increment funds. She clarified that the annual difference in bond debt service payments and tax increment funds would go to the RDA to use as necessary for administrative purposes or other RDA project costs.

The Board went on to discuss language regarding specific uses of the bond proceeds which should be included in a motion to approve the Resolution. Boardmember Riley suggested that installation of dry utility infrastructure be included in possible uses in an effort to avoid cutting roads at a later date. Ms. Lewis explained that any possible use of funds can be included in the Resolution to allow use of funds for specific purposes, but that listed uses are not binding. Ed Grampp of Anderson Development requested that improvements such as entry features and lighting be included in possible uses. The Board felt that it would be reasonable to include the requested uses, noting that the list is not binding but provides a list of possible uses. Ms. Lewis noted that the term 'related projects' would serve as a catch all for other possible uses not specifically listed.

Ms. Lewis noted that the bond purchase can close thirty days after publication of the passage of the Resolution. She stated that closing is anticipated approximately April 10, 2012. Chairperson Farnworth called further comments or discussion. Hearing none, he called for a motion.

BOARDMEMBER RILEY MOVED TO APPROVE RESOLUTION #U-2012-01 – GENEVA URBAN RENEWAL PROJECT AREA TAX INCREMENT REVENUE BONDS, SERIES 2012 PARAMETERS RESOLUTION, WITH AMENDMENTS TO READ: IN AN AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) TO PROVIDE FUNDS TO FINANCE THE ACQUISITION OF LAND, CONSTRUCT CULINARY WATER PROJECTS AND SANITARY SEWER PROJECTS, PLACEMENT OF DRY UTILITIES INCLUDING

TELECOMMUNICATIONS AND OTHER UTILITY INFRASTRUCTURE, TO CONSTRUCT ROADS, CURB GUTTER AND SIDEWALK AND RELATED LANDSCAPING, INCLUDING LIGHTS, OTHER PROJECT ENTRY FEATURES OR MONUMENTS AND OTHER RELATED PROJECTS, FUND A DEBT SERVICE REVENUE FUND, IF NECESSARY, AND PAY COSTS ASSOCIATED WITH ISSUANCE OF THE SERIES 2012 BONDS. BOARDMEMBER HOLDAWAY SECONDED THE MOTION. THE VOTE WAS RECORDED AS FOLLOWS:
CHAIRPERSON FARNWORTH AYE
BOARDMEMBER GILLESPIE AYE
BOARDMEMBER HOLDAWAY AYE
BOARDMEMBER RILEY AYE
THE MOTION CARRIED UNANIMOUSLY WITH ONE ABSENT.

The Board went on to discuss proposed RDA projects and estimated project costs. Mr. Church noted that bids can be received for projects prior to closing of the bonds. Ms. Lewis stated that upon a final decision by the committee she will discuss the final bond structure with the purchaser prior to the bond closing.

ADJOURNMENT – The meeting of the Vineyard Redevelopment Agency was adjourned at 7:50 p.m. The RDA Board will schedule future meetings as necessary.

MINUTES APPROVED ON – March 14, 2012

CERTIFIED CORRECT BY _____
D. CULLIMORE, DEPUTY RECORDER